

**DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY**

DEPARTMENTAL PERSONNEL MANUAL LETTER

DPM LETTER: 920-23

DATE: September 24, 1997

SUBJECT: Senior Executive Service (SES) Performance Awards Bonuses

SECTION 1. GENERAL

This DPM letter supplements Title 5, Code of Federal Regulations, Part 534, Subpart D, on the payment of performance awards bonuses under the Senior Executive Service.

SECTION 2. OVERALL GUIDANCE

- a. **Coverage and Eligibility.** Only career SES members are eligible for performance awards bonuses. The individual SES member must have been on board and in the SES for at least the 120 days period ending on the last day of the performance appraisal period. In addition, the SES member must have obtained a performance rating of "achieved results."
- b. **Awards Determination.** Although the SES positions of the Department are a resource of the Secretary, the great majority of the input concerning the individual performance awards will be provided by the Heads of Operating Administrations (OA) and Departmental Officers (DO). Except those organizational elements with less than five eligible career SES members, Heads of OAs/DOs who are themselves eligible for a performance award, and a small Secretarial reserve (to be determined annually), recommendation as to the recipients of the SES performance award will be made by the Head of the OA/DO, subject to the procedures that follow:
 1. The Secretary will determine annually the percent of the aggregate career SES payroll (not to exceed 3 percent) and the individual award range (not less than 5 percent or more than 20 percent of the individual's basic pay) to be used each year for SES performance awards. Each OA/DO with five or more eligible SES members will receive its own dollar award pool to administer. There will be a reserve amount set aside to accommodate organizational elements with less than five eligible SES members and those Heads of OAs/DOs who are also eligible for performance awards. The Executive Resources Review Committee (ERRC) will administer this reserve. Also, a small reserve will be available for the Secretary's distribution as appropriate (i.e., to reward special performance and organizational performance). The Deputy Secretary or the ERRC may distribute this reserve on the Secretary's behalf.
 2. The ERRC will determine, based on recommendations of the appropriate head of OA/DO, the performance award recipients in those OAs with fewer than five eligible SES members.
 3. Each Performance Review Board (PRB), as a continuation of its responsibility under the DOT SES Performance Appraisal System, will rank all career executives within the eligible performance rating of "achieved results." The PRB shall consider the comparative difficulty of each position, significant organizational accomplishments not adequately covered by an

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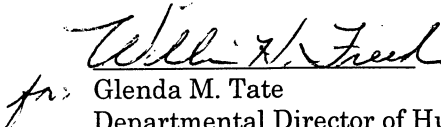
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candidates. Additionally, the PRB shall consider, where appropriate, executives' efforts with regard to their managing of work force diversity. The systems used to assist the PRB in making their recommendations must be committed to writing and adequate documentation must be maintained to reconstruct the ranking process if necessary. The PRB will provide the Administrator or DO, as appropriate, with:

- (a) A written ranked list of those SES members (excluding those in (b) below) eligible for a performance award; and
 - (b) A separate list of those members of the PRB who are subject to the SES performance award system, and who meet the eligibility criteria for an award.
4. It will be the responsibility of each Head of the OA/DO to review the recommendations of the appropriate PRB, incorporating, if necessary, the PRB members into the overall ranking, and to make the selection of the performance award recipients for that organizational element in accordance with performance award allocation, subject to the concurrence of the Secretary or the ERRC on his/her behalf.
5. After the conclusion of the award process, approved lists of award recipients will be returned to the appropriate Head of the OA/DO.
- c. **Payment Procedures.** TASC Human Resource Services will arrange for the awards to be included in the executives' regular bi-weekly pay.
- d. **Reporting Requirements and OPM Review.** Each OA and DO will provide TASC Human Resource Services within 2 weeks of the final determination of performance awards for the performance period, a copy of the Executive Performance Appraisal Record for each executive who received a performance rating for the appraisal period and an alphabetical listing of all executives covered by the provisions of the SES Performance Appraisal System who received performance appraisals.

The list should contain the following information:

- 1. The executive's position title;
- 2. The executive's position number;
- 3. The executive's performance appraisal overall rating and the date the rating was made;
- 4. The performance award amount, if any, and the date of the award; and
- 5. Any incentive award granted the executive during the rating period, the type of incentive award, the date of the award, the dollar amount and the dollar benefit to the Government, if any.


for Glenda M. Tate
Departmental Director of Human
Resource Management